

# **A service improvement plan for the local Catering Bar Fino**

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Degree programme in International Business

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<p>The goal of this thesis is to design a new service plan for the commission company to increase their profitability, customer loyalty and satisfaction after the commission company has been taking over the business.</p> <p>This is project-based on thesis that uses the knowledge of service marketing to build up the foundation of the service improvement plan, the plan will includes all the vital theories and frameworks form the service marketing. However, author will choose the fittest theories and frameworks apply into the new service plan.</p> <p>The author and the commission company expected the plan can gain more customers and maintain the customer loyalty, and the final result will be help the commission company gain more profit and competitive advantage.</p>	
<b>Keywords</b> Service Marketing, Customer Service, Customer Loyalty	

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# **1 Introduction**

With the rapid development of the modern service industry, customer service quality requirements are increasing dramatically and there is more and more intense competition between bars. A bar can provide good services to enhance their competitiveness, to attract more customers and to improve customer satisfaction. By doing that it will be able to achieve a dominant position in a competitive environment. A bar offers decent quality and personalized service to meet the customers' needs, to reach a level of customer satisfaction that will help it improve visibility and reputation. Therefore, fundamentally speaking, the quality of service is the foundation to survival and development for a bar in a competitive nature.

## **1.1 Case company Bar Fino**

The case company Fino is a standard local catering bar that has history of many years before being taken over by the Commission Company. The company has a steady amount of customers and a good reputation around Malmi area. After the Commission Company opened the bar, there were some unpleasant and unexpected incidents that happened to them. Due to that, the bar started losing customers and the Commission Company wanted to make a change and fix the problems, in order to get back on track as how it was supposed to be.

## **1.2 Purpose and objective of the study**

The purpose of this study is to design a new service plan for the Commission Company to increase their profitability, customer loyalty and satisfaction. The purpose of the theoretical framework is to present theories of service marketing that would help the Commission Company to achieve their objective. The idea is to show theories and to talk over, how improved service could help the Commission Company, also what other things should be taken into consideration when it comes to service improvement.

The objective of this study is to design the fittest and finest service plan for this commission company. In order to present a cosy atmosphere to the customer, the plan

requires to understand the customers' needs and to provide personalized service. The Commission Company would benefit by increasing profitability, establishing a stronger relationship with the customer, creating a better brand image and reputation. As a result the Commission Company would have a bigger market share at Malmi area.

### **1.3 Project Tasks**

The Commission Company and the author have made an agreement that there should be a suitable plan fit to the Bar's current situation, to change and improve the performance of service. Therefore the Commission Company and the author designed the tasks in 5 parts:

**Project Task 1:** Design a theoretical framework based on service marketing for Bar Fino's current situation

**Project Task 2:** Make a service survey based on target audiences feedback, related to catering quality and bar service

**Project Task 3:** Draw up a service improvement plan for Bar Fino

**Project Task 4:** Testing the plan

**Project Task 5:** Plan evaluation

## **1.4 Structure of the Thesis**

In the thesis, the author will introduce and focus on service marketing, the idea is have better understanding of customers' needs and desires.

The thesis will be broken into 3 parts, at first author will study the theory, which can help the commission company's current situation.

The second part, the author will do a research for the commission company to understand the current situation, and use the knowledge which gained from theory part to design a service improvement plan.

At last part, author will make an improvement, and apply the improvement into real life business to exanimate it.

## **1.5 Key Concept**

The service marketing is the key concept in this project, the idea of this concept is to help author have better understanding of customer's needs and desires, and also have better picture of knowing how to run business in hospitality industry.

## **1.6 The Final Outcome of the Thesis**

This is the project based on thesis, the commission company and the author are expecting the outcome will be a successful service improvement plan. The plan can help the commission company back on correct track in business and develop stronger competitive advantage.

## **2 Service Marketing**

Services are hard to describe in a simple way, it covers complex economic activities that is why it is hard to define. However, services often happen in economic activities from one to another, usually customers evaluate service by performance and outcome. What they expect ultimately is not only to spend time, effort and money on simply transfer ownership of what they buy, but also access variety of values which are created during activities. (Lovelock & Wirtz, 2011, 37.)

Services normally consist of vital tangible elements as well as intangible elements. For bar & catering business, tangible evidence are such as drinks, meals, tables, decoration and any another things you could visualize. However, the intangible elements include the employees, who control the creation of value during performing service. Generally intangibility can be both physical and mental, “Mental intangibility cannot be easily visualized and understood, while physical intangibility cannot be touched or experienced by the other senses.” (Lovelock & Wirtz, 2011, 37.)

Service is the core competitive weapon to build recognition and a good way to improve the degree of standardization, and the business would have greater service by adding more elements of value to the customers’ experience, also it will have bigger differentiation than competitors and become a market leader.

### **2.1 Customer Service**

These days customer service has gained a bigger role in business performance evaluation, because the customer has more choices when coming to purchase a product or service. Competition decides, that customer service is a vital factor to keep customers happy and satisfied. Good customer service always needs enthusiastic employees with great capability and professional knowledge, to provide products or services to customers, so that the customer can gain ultimate satisfaction from the service. (Lucas 2012, 7)



Matter of fact is that customers don't realize the actual standard of customer service and what they should be receiving. Therefore, customers normally appraise service by praising or criticizing it through how the business takes care of them. Customer service can make a momentous effect on customer loyalty.

When one goes to a bar, they always have their expectations and the expectation could be superior or mediocre. Yet, customers always assume that they will get descent service, as they should, because that is what they paid for. However, a fact we must not forget is that there is a huge differentiation in customer expectation at international level of aspects. For instance, Chinese are used to receiving good service especially when they go to a restaurant or a bar, but in Finland, the level of expectation is different. In the end, the result was shocking, the average customer service was not as good as what was expected, since the service provider didn't know well. (Harris 2010, 2)

How do we define good customer service? According to Harris (2010, 2): "Everything we do for the customer that enhances the customer experience." Therefore, good customer service usually makes extra value to customer and is able to establish relationship with customer in the long haul. It is a win-win situation for the business and the customer. The advantage created by good customer service is priceless. Satisfied customers will grow their loyalty with the business, and to make every customer become like that is the supreme goal of customer service. (Business case study.)

According to Pesonen et al. (2002, 29-32) customer service contains three different stages, and those stages are actual, extra and supporting services. (figure 1)

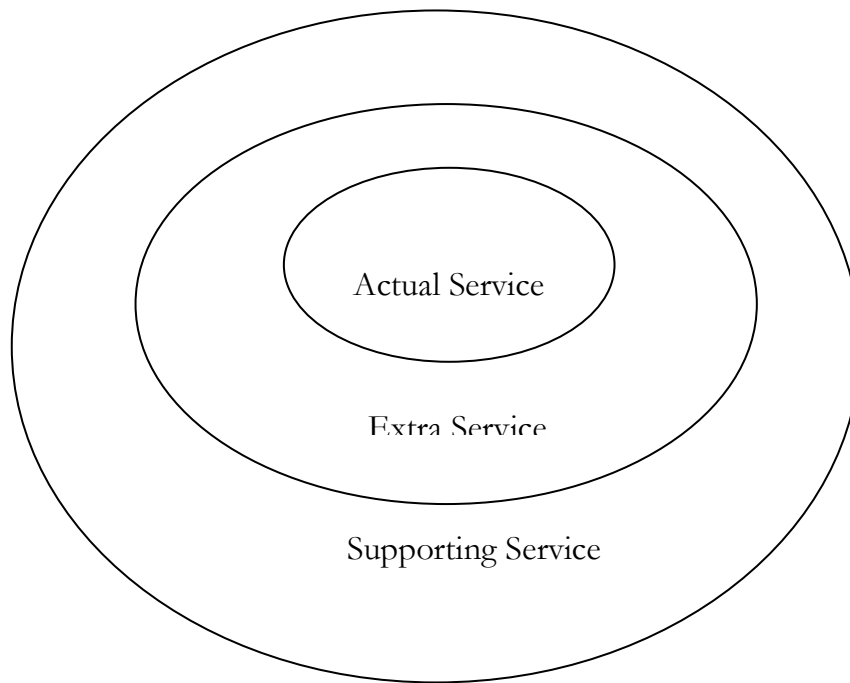


Figure 1. Service Classes. (Pesonen et al. 2002 , 30)

Actual service: the core product or service what companies serve or sell to customer to make them satisfied.

Extra service: part of whole actual service and it plays a vital role in it. Extra service explains and defines the frame of the whole service. Put it into an example, it could be providing table service in a bar, or order directly from the table.

Supporting service: enhancement for the actual service, the function and idea of supporting service is to make original service more attractive, thus it will improve customer satisfaction and loyalty.

## 2.2 GAP model of service quality

Today's business life, the consumer has become smarter and more demanding, the quality of product itself is not enough to satisfied them, the premium service quality is another key figure for consumer to decide which brand product they would choose. In restaurant & bar business, what concerns the customer the most is the service quality, besides the food and drinks. In this service industry the competition has always been high, when you want to gain more competitive advantage to go against same level competitors, the service quality is the key for the business to stand out. The theory model is developed into five parts, those five parts are the customer, knowledge, policy, deliver and communication gaps. (figure 2):

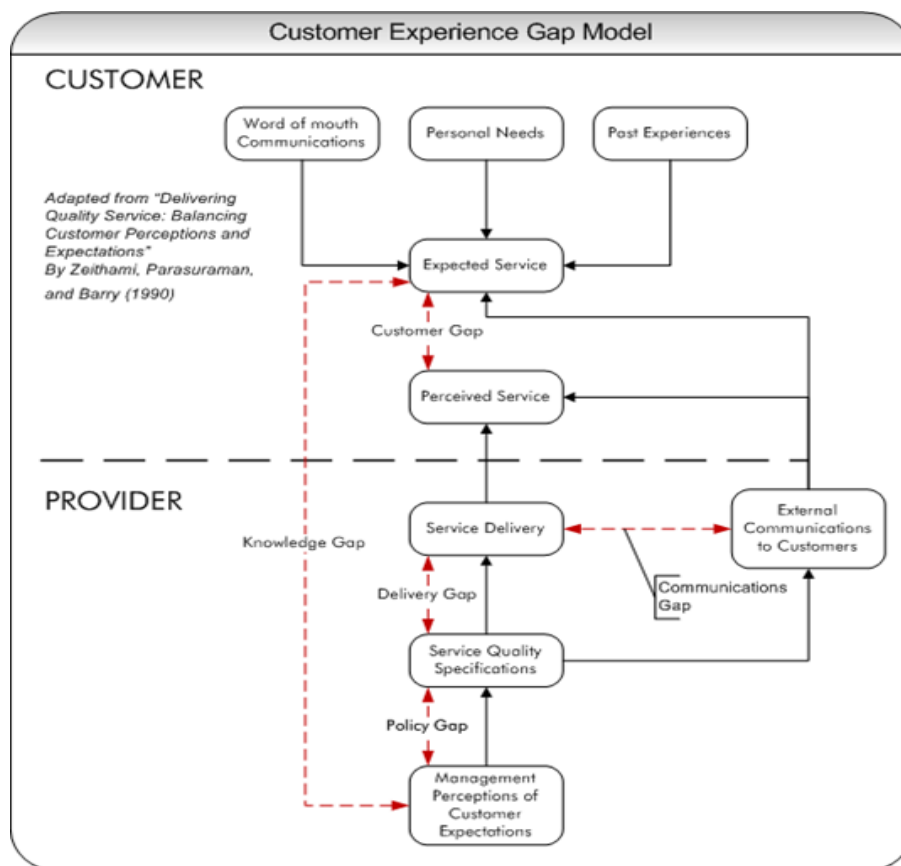


Figure 2. Customer Experience Gap Model. (Sara 2009.)

### **2.2.1 The Customer Gap**

To understand the Customer Gap, is important to know what the Customer Expectations & Perceptions is. Customer expectation is the value that customer seeks from the product or service, which satisfies their cultural background, family lifestyle, personality, experience or even more. Customer perception is the impression and awareness towards the company. Company advertising, personal experiences or other channels affect customers' perception. Therefore, to understand the customers' needs and to know the customers expectation, is the way to close up the gap.

### **2.2.2 The Knowledge Gap**

“The knowledge gap is the different between what service providers believe customers expect and customers' actual needs and expectations” (Christopher, Jochen 2007,424). In this case, the management doesn't have a clear idea or picture of real expectations of the customers towards their services or products. Thus, if there was a knowledge gap, it may explain that the company has chosen the wrong way to meet the customers' needs and demand. As we know in a customer-orientated business, it is significant to know and understand the customers' need from your service, and have a comprehensive market research, which is a way to close up the gap. (Sara 2009.)

### **2.2.3 The Policy Gap**

According to Kasper et al, the policy gap shows incorrect communication and translation in company's regulation and guidelines for their employee. The consequence of this act would lead company deliver low quality service to customers, from what they expected to get. The reason causing it could be wrong service design, poor maintenance ability in after sell service or low standard of the service. (Sara 2009.)

The Service Quality Gap Model is a tool, which is able to help service firm to identify correct problems that could damage the quality of service. By using this tool, it can help the firm to identify the potential gaps in their service to maximize their service quality to meet customers' expectations and satisfaction. (Sara 2009.)

#### **2.2.4 The Deliver Gap**

In this gap, it shows low performance and quality of employee's working ability, in which they couldn't do what they were supposed to do. The company with this problem, failed to educate their own staff to understand the guidelines and processes of the business. The outcome would be that employees are not able to fulfill and manage customers' needs. There are some cases would cause it to happen:

Employees have a hard time or difficulties handling customers, unable to solve issues or give useful, reliable information to customers.

The policy of company's HR department shows poor performance.

The company doesn't have strong executive power and ability to deliver the service. (Sara 2009.)

#### **2.2.5 The Communication Gap**

The Communication Gap created by the company's over promising advertisement that doesn't match the exact service, which the company provided to the customer. As a result, it will damage the relationship and trust between customers and the company. The customer would look for an alternative service or product that matches their expectations, and it normally comes from competitors. (Sara 2009.)

### **2.3 Service Environment**

The service environment plays a key part, if the company wants to create a distinctive image and have a unique position in a competitive market. Today people care about the style and physical surroundings that the service site is able to provide, customers are demand high standard service environment. (Crafting the Service Environment)

High standard service environment is able to level up customers' satisfaction as well as affect on customers' buying behavior. As outcome, it could bring up customers' spending level and loyalty, thus the customer would love to visit more often and spend more

at the store. However, the service environment does not fully rely on the physical environment, but also the customer and the employees have a great influence on it too, since they are a part of the environment. (Lin & Liang 2011, 352)

In the theory that Lin & Liang mentioned, there are two sectors in the service environment, which are social environment and physical environment. They both can make impact on customers' emotion and service quality.

## **2.4 The Importance of Employees**

The employee who works at frontline jobs, play a critical role in service delivery, they have an influence on creating customer satisfaction and improving service quality. Therefore, frontline employees are playing a significant role of boosting competitive advantage and service excellency. (Christopher & Jochen 2011, 302.)

In customer contact service employees are more like:

They are the service itself. Most of the time, employees are quite tangible element for customers in service. Therefore, customers are partly defining service quality based on that.

They are the image of the company. Employees are the representatives of the company, and in the perspective of the customer, they are the company.

They are the brand. Often the service what employees provide is the core part of the organization business, and the quality of delivery by them can directly affect on the image of company.

They are the marketer and advertising. Service employees play a crucial role in generating in sales.

(Christopher & Jochen 2011, 302.)

Service employees are the brand and the representatives of the organization when they participate in customer needs, how do they perform and their physical interaction with customer is vital, it can make a huge difference on the brand image, as well as bonding up the personalized relationships with customer loyalty. At the end of the day, the company cannot maintain their image by selling products or state advertising; they have to come to realize in service business, the employees are like billboards and promotion standpoint. (Christopher & Jochen 2011, 303.)

#### **2.4.1 Employee conflict**

For a company to gain maximum profit, they require their employees to be always ready to give a high performance at work as well as to do their best to satisfy the customer, and to accomplish service excellence and maintain customer loyalty (Christopher & Jochen 2011, 304).

Working as a frontline employee is a job with high pressure, therefore sometime there can be conflicts. There could be various factors to cause that to happen, for instance: job requirements, personalities and self-perceptions, even different beliefs.

Giving quality service, requires warm, friendly and an independent personality, however, many frontline jobs are often seen as low-level jobs that don't require much education, and give a low income. For company it has to be professionalized and standardized with their frontline employees that do not give any image of working as low-level workers. (Christopher & Jochen 2011, 304.)

Employee satisfaction is quite simple to understand just from words, how happy employees are with their job and work. Satisfied employees are able to make customers happy and satisfied, simply said, the satisfied customer can affect on the employee's mindset that they are satisfied with their job and able to gain happiness and recognitions from their work, which is a good cycle. Therefore, some researchers even made suggestions, that as long as the employees are happy what they doing, the customer satisfaction will be maintained.

There is logic, that those employees who are happy and satisfied with their work and feel they have been treated well, will treat customers nicer, leading to a greater result in customer satisfaction.

The employee's satisfaction and loyalty is linked with the customer's satisfaction and loyalty, and ultimately improving organization's profit. Hence, the employee plays a critical part in service delivery, and they have influence on creating customer satisfaction and improving service quality.

Service employees are the brand and the representatives of the organization. How they perform and their physical interaction with customer is vital, and it can make a huge differentiation on the brands image. At the end of day, the company cannot maintain their image by selling products or state much advertising; they have to come to realize that in service business, the employees are like billboards and a promotion standpoint.

## **2.5 Building Customer Loyalty**

To be a successful service company, it requires you to understand the importance of knowing targeting, acquiring and keeping the correct customers, spending extra energy on those customers, in order to gain their loyalty. Doing this is the best way to grow volume of business and looking great in the long run. (Christopher & Jochen 2011, 338.)

According to Jonchen Wirtz & Patricia Chew, understanding customer loyalty means: "Loyalty in a business context describe a customer's willingness to continue buying from a firm over the long term and recommending the firm's products to friends and associates."



### 2.5.1 The Wheel of Loyalty

It's not an easy task to build up customer loyalty, most companies spend huge amounts of money and effort to improve customer loyalty, but the result is that in most cases they fail to do so. The framework Wheel of Loyalty shows the thinking of how to build up customer loyalty into three segmentations. (Christopher & Jochen 2011, 345.)

The foundation of establishing customer loyalty based on customer satisfaction: the higher customer satisfaction you can achieve the more customers stick to the brand. The result would be improving customer buying ability and spreading more positive word of mouth for then brand. (Christopher & Jochen 2011, 342-344.) (figure 2)



Figure 3. The Wheel of Loyalty

First, the company needs a good market research to reach the correct customer segmentation, meanwhile by all means to attract those customers by delivering high-level satisfaction that would be the way to establish a solid foundation for the customer loyalty. (Christopher & Jochen 2011, 345.)

Second, to establish true loyalty, it requires the company to design a way to have close bounds with the customers. It can work by adding more values to customer service, like rewarding and higher-level bound, cross-selling can help too in relationship bounding. (Christopher & Jochen 2011, 345.)

The last step, the company needs to find out the factors, which might cause result in “churn” and replace them by new customers.

## **2.6 Strategies Loyalty Bounds With Customers**

Based on the commission company’s case, there are two strategies we decided to use from all bounding strategies.

### **2.6.1 Financial Rewards And Nonfinancial Rewards**

Financial rewards are normally being called “Hard Benefits”, those benefits are often: discounts on purchase and the cash-back program. However, the financial reward system isn’t the way to secure the customers loyalty, if the quality of service goes down and the customer is able to find similar service with same value but less cost, the company will lose those customers. (Christopher & Jochen 2011, 353.)

Nonfinancial rewards also called “Soft Benefits”, the benefit is not able to change directly to monetary terms or any other form like that. Those vital intangible rewards include special recognition and appreciation, often those intangible rewards are tied with high-level service, and the result can be far more powerful than the financial reward. The nonfinancial reward is a better rewarding system, which improves customers’ experience and value perception through company’s core service. (Christopher & Jochen 2011, 355.)

The company's competitors can copy those strategies. Therefore, the company should develop higher-level bounds to gain long-term competitive advantage against competitors, in order to establish greater relationship and loyalty with customers.

### **2.6.2 Social Bonds**

For any bar or restaurant business, this is one of the best way to bond with customers. By chatting with customers about personal matters, it is the best way to earn and gain trust in them. Thus, this is how it is harder for the competitors to copy, but compare with financial bonds, the social bonds take longer time to achieve. If a customer credits the company with social bonds, they have better chance to establish longer relationship and loyalty. This shared relationship social bonds can be a major loyalty driver for the organization, which can help company become more competitive in the market.

(Christopher & Jochen 2011, 356.)

### **2.6.3 Customization Bonds**

As a good service provider, it is essential to learn the customers' preferences, this will build up a special relationship with their customers, and these customization bonds will lead them to earn the customers loyalty and trust. When customers are used to this kind of "VIP" treatment, they will find a hard time to adapt to a new service provider, since they are not able to provide the same service what the customer expected. (Christopher & Jochen 2011, 356.)

## 2.7 Conclusion of the Theory

As a summary, the case company and the author decided to design a final service improvement plan based on the theory, which the author has been studying in the previous chapters.

This is the service improvement plan framework, as well as the theory part of the thesis (See figure 4):

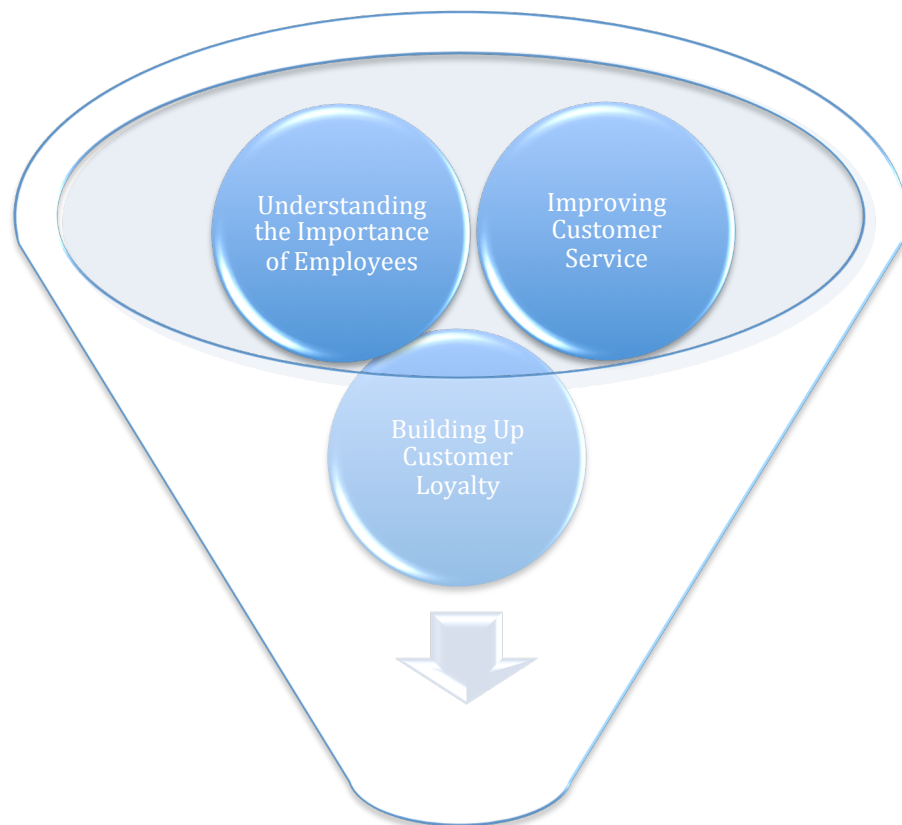


Figure 4. Service Improvement Plan

In the service plan, for the service part, the commission company bar Fino will focus on knowing customers' needs and desires, also trying to find and narrow down the service gaps. Meanwhile, the bar will put effort on providing extra support service to give customers ultimate service satisfaction. At last, the bar will improve its environment based on the business type and the customer segmentation.

The second part, the author wants the commission company to understand the importance of the employee. To know what kind of role they are playing in big business picture, and what kind of impact they can make in business. To understand the employees' job, it will help the commission company understand and showing more appreciation towards their workers.

The last part, the commission company and the author will design a reward & bond strategy based on the customer loyalty studies, it will help the commission company remain, as well as gain the customer, in competitive business environment.

### **3 Project Research**

In this chapter, the author will discuss the methodology that was used in this project. The commission company and author have decided to use qualitative method as major research method, meanwhile a survey will be the second research tool. The chapter will explain and discuss how does the research was done, and explain each steps.

#### **3.1 Research Methods**

Qualitative research is the method that is used in this project and qualitative research is primarily exploratory research. The method is known to gain an understanding of underlying reasons, opinions and motivations, which provides insights into the problem or helps to develop ideas. Also qualitative research is able to uncover trends in thoughts and opinions, and dive deeper into the problem. To collect qualitative data including focus groups (group discussions), individual interviews, and observations, and often the sample size is small.

##### **3.1.1 Focus Group**

Focus group is a popular research method that gathers small group of people and is lead by a moderator through an unstructured discussion for gaining information related to the research problem. Focus group is a useful research tool that helps the organization access the valuable information based on the limited samples, the information that gathered through focus group that could be used to generate ideas, gain insights and attitudes from participants.

The result that helps the manager to decide or consider what would be the best changes for the service improvement.

### **3.1.2 Online Research**

Online research is a research method like viewing a blog, forum and news where one is able to find useful information to observe consumer behaviors. A blog or a forum is always a good place to find out information; the participants in blogs are active bloggers, sharing their ideas and opinions. News can always give professional opinions and profession industrial updates related to the focus area. Therefore, this method can lead to rich information.

### **3.1.3 Survey**

Survey is a research method that involves interviews with prepared questionnaire to a large number of respondents. The goal of using a survey is to understand respondents' opinions, preferences and intensions. Often the survey is done for a large number of respondents; it can increase the results' accuracy and reliability.

A self-administered survey is a method that going to be used in this project after discussion with the commission company. The self-administered survey basically needs respondents to fill in the survey by themselves and the right of answering survey is under respondent's full control.

## **3.2 Survey Data collection and analyze**

In order to make the fittest plan for Fino, it is important to analyze the data from the survey to get perfect ideas and thoughts from the target segmentation. The commission company wanted to put more effort on their catering business; therefore the survey is mainly based on the catering business.

The author collected 100 survey respondents and all the survey has done by customers themselves, the survey sample will show in the Attachment.

The results from the survey shows that the respondents have mixed opinions about the catering service and food quality, the main problems are showing in the food quality part.

## Customers' Monthly Visitation

The table shows monthly customers' visitation.

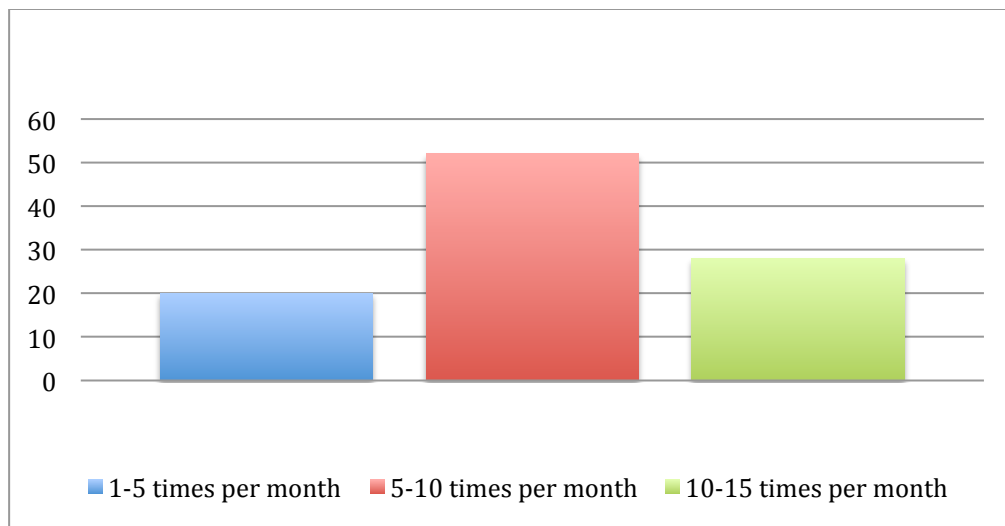


Figure 5. Customers' visitation

## Food selections

The results show that customers like a variety of foods and they prefer more home-made ones and Finnish food.

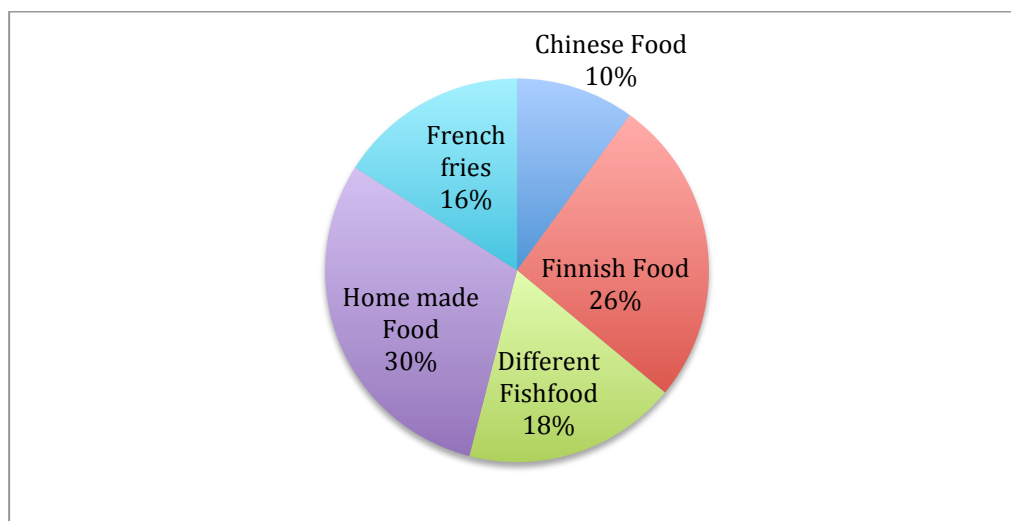


Figure 6. Food Range



## Recommendation to friends

The outcome is positive that the most of respondents want to introduce the place to their friends, but still the result told us, there is still a lot to improve.

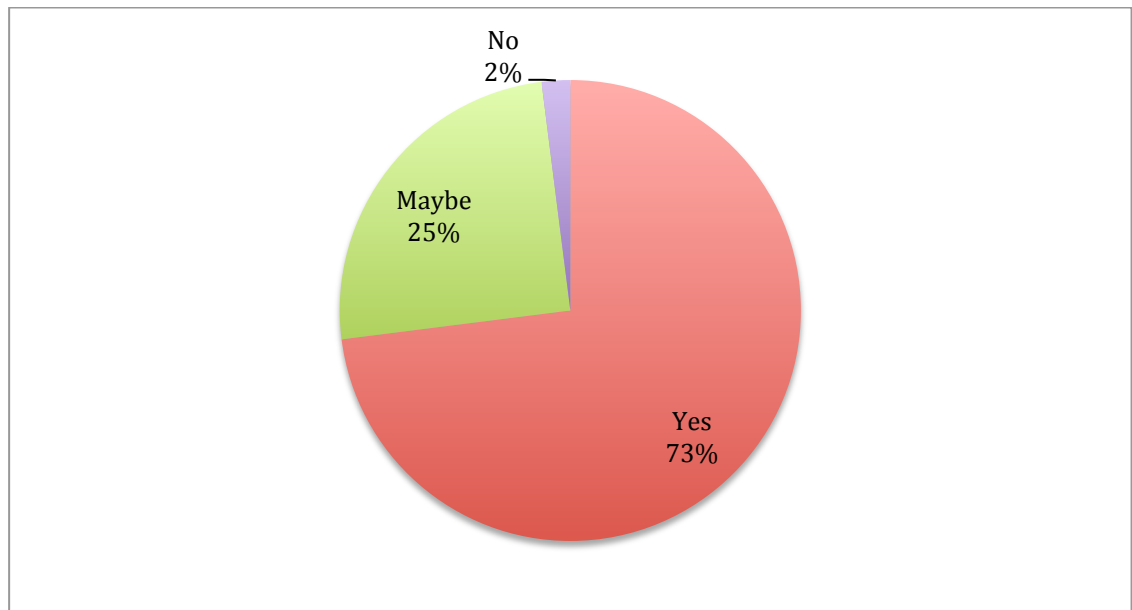


Figure 7. Recommendation to Friend.

## Answers for the questioner

The author and the commission company have made four questionnaires into survey, and those questions are related to food quality and recommendations:

In general, customers are not very satisfied with the food quality. They wanted to have a better quality and choice of coffee, bread and deserts. Also customers wanted to have bigger portion of salmon, salads and fried food, but at the same time add more flavor to the food. But there were many good suggestions to help the commission company to realize their problems.

## **4 Designing the Service Plan**

After all the research and preparation, the author and the commission company have made a decision to divide the plan in two parts:

### **The Service improvement plan for the catering business**

For the catering service, the author and the commission company want to re-gain the customers back, since the last chef had done damage to cause the company lose many customers.

In this part, author will design a plan for food quality and service code with the employees. The catering environment and the quality of food will be the two essential parts for improving catering business.

### **The service improvement plan for the bar business**

For the bar business part, the commission company wants the author to maintain the customers, and design a competitive plan to create more added values to customers, to increase the customer loyalty. Therefore, the author will emphasize on the service part in this project.

## **4.1 Catering Improvement Plan**

The catering business was good for the commission company Bar Fino, but after taking over the business. There were incidents, which cost a lot of problems for the commission company; therefore they had to their close catering business for five days. Since the previous chef left, it was hard for the new chef to know the customers' preference of food, what are the best salads and warm foods that the customers preferred. The major customer segmentation for the catering business, are those who work nearby, such as workers from Lidl, Prisma, K-market and other stores. The competition is high at Malmi area; there are approximately more than 10 restaurants. Therefore, the food quality is a vital factor to attract customers, and to create a good environment for customer is an added value to reach a higher level of satisfaction.

### **4.1.1 Food Quality**

The commission company serves buffet, and in people's eyes, buffets is all about the massive quantities of food and quality is not that important, since buffets can be very cheap. However, customers are more educated nowadays, they have better understanding of the image about what is a good restaurant, which means they have higher expectations.

It has always been a tough question and hard mathematics for a buffet owner, how to keep the balance of food cost and profit. This is the same problem for Bar Fino, but in order to improve food quality and have greater competitiveness compare with other restaurants, a move has to be made.

Using more fresh ingredients for food, but with smaller containers and have lots of variety of food choice, also try to use raw food instead of ready-made ones, it is a way to lower the cost and improve the taste too.

Try to make a theme for each day for instance, Sushi Day on Monday, Tuesday can be Italian food, and try to give customers more fresh feeling than old, boring style buffet, especially when you have a chef who is capable doing it, or make different type of

foods, soups and deserts every day and make sure to include different type of fresh vegetables and chicken, beef and rice or pasta and spaghetti.

To have a good way to present your food is important, in some sense, it can give customers a different feeling with the same food. The customer would feel they paid for quality food and service, which you did with serious effort. This would enhance customer satisfaction and separate you from other competitors.

#### **4.1.2 Catering service**

Restaurant business is not just about the food, customers are seeking the most comfortable feeling and the experience brings them happiness and satisfaction, therefore great customer service is important. The study showed that customers are happier to visit often and spend more time and money if they feel welcomed and treated importantly. The staff needs to show warm attitude with care and respect towards customers, the positive energy is everything in hospitality industry.

The waiter need to understand not the basic customer service skill but also knowing the importance of taking care of customers, smiling to your customers and looking in the customers' eyes. They need to always check and be ready to refill water glasses before asked, as well as to bring extra napkins for customers if seen that ones they have is already dirty.

It is very important to have a strict dress code, simple make up, clean and tied hair, proper work shoes, and clothes have to be standard working clothes.

Let employees to know how important is to ask feedback from customers when they have finished their meal, and not just about the food but more service related questions such as quality of service and how was the experience they received during the meal. Make them feel like valued a customer, is the goal of achieving good customer service.

### **4.1.3 Catering Environment Improving**

To give customer a great residential feel, it can make a huge difference with the competitors. A nicely decorated place with new shiny knives and forks, place with good quality napkins, along with flowers placed on the tables, and the use of cozy looking tablecloths can make customers feel like home.

## **4.2 Bar Service Improvement Plan**

The author would like the commission company to follow mostly the same service code as in the catering business; however there are still things that can be improved.

### **4.2.1 Customized Service**

Since Bar Fino is a bar and mostly targets senior people, it is important to have some customized service for those regular senior customers.

### **4.2.2 Remember their preference**

Those customers that come every day, all have their own preferences, it is important to remember: How many ice cubes they would love to have in their beers? Which type of beer they are taking all the time?

It is essential to build understanding between each other, and without a word, you are able to know what your customers' needs are.

### **4.2.3 Warm and thoughtful customer service**

Since Fino is a senior people bar, there are senior people mostly spending time there, and some of customers are having difficulties to move, therefore to provide them table service is a thoughtful act, that can show your customers, you care about them and they are valuable.

#### **4.2.4 Providing more entertainment options**

For those senior customers, a bar is like the place for them to spend time and socialize. It is important to bring them more choices of entertainment and not only drinking, and make the place more fun and arrange more activities. Hence, to have a host for Karaoke night can be the best way to cheer up customers, and encouraging the host have more interaction with customer can add good value to the event, also having a pool table can be another fun activity at bar, or darts to play. Purchasing more TV channels that have wide range of TV catalogs can makes customers happy too.

### **4.3 Customer Loyalty Bond**

To bond with your customers is the best way to improve your customers' loyalty, from the studies the author has done. It is important to know your customers' preference as already mentioned above, but also it is important to reward your customers in ways that makes them feel special and valuable. Remembering to communicate with the customers is important, because that is the way to approach to the customers in a closer way and the best way to know them.

#### **4.3.1 Reward regular customers**

To reward regular customers, it doesn't have to be costly. Reward the regular customers with some small snacks while they are drinking, this could be nuts or chips.

They can feel special, as well as they can feel a great gesture that the owner cares about them as their valuable customer, so those small rewards don't hurt much in financial way, but do make a great impact on the customers.

Hosting an event for the regular customers, for instance every Christmas or on a big holiday, invite them to the bar to have a celebratory meal. It can boost the selling of drinks, meanwhile the meal cannot be too costly when going for advertising, but these kind of bonds can grow loyalty in customers.

Trying to establish a friendship with all the customers, since they come very often, to know them better in life and care about them is a strong tie with customers that no one is able to steal, it is a strong competitive advantage you can have while the competitors cannot.

#### **4.3.2 Bar Environment Improving**

The bar Fino has its certain type and style; therefore it is important to provide the correct atmosphere at the bar, instead of trying to make the place look fancy. Since it is a bar for senior people to spend time at and socialize, the author suggest to have a more cozy style, make it comfortable and feel like home when you spend time with close friends. Make the place always clean and organized, at night place some dim lights with some beautiful and pleasant scented candles that can make the whole place environment go to the next level.

#### **4.4 Understanding the Importance of Employees**

As the author has said about the importance of employees in hospitality industrial, the author recommends the commission company establishes a reward system for the employees, this could be a similar system as how to reward customers. In the end, the employees are the value assets for the company to make profit; therefore they are as important as the customers.

## 5 Plan Testing and Results

After the plan was designed, the author and the commission company agreed to carry out the plan and tested it for half a year.

In general, the plan worked out and it did help the commission company gain more customers and keep them as regular customers. It was hard at the beginning when the commission company had to execute the plan with huge changes; it also cost much for the commission company to renovate the place, replace old tableware and even bought new furniture, but those changes were necessary, and the customers were happy to see the changes and the new environment made them feel refreshed.

The catering business is still struggling in a sense that competitors are doing pricing strategies to become more competitive. However, they cannot make decent quality food with too low cost, it does not work that way. We tried to satisfy customers as what they mentioned improvement in the survey, also we required the chef to spend effort on decorating the food and making different types of food. As for waiters, they were required to be more active as what we wanted in the plan, and it paid off. Customers are happy to receive their service and sometimes even left tips. Therefore, for the catering part, it has slightly grown but it is still not good enough to make good profit. But the recent economic environment in Finland has been negative, and in the authors' opinion that can be a factor, which makes business difficult.

Bar business has had very positive result after the plan was carried out, the customers were happy to come, since the place had been renovated, and the furniture had been upgraded. The rich TV channels and TV covered the walls of the bar; also the pool table and darts became the customers' favorite things to play. The karaoke night was the best idea in the plan, the customers loved it and it helped to boost sales on the weekends.

The commission company is happy about the plan and they have decided to carry it out afterwards.



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The Art of the Buffet: Beauty is in the Eye of the Diner

[http://hotelexecutive.com/business\\_review/239/the-art-of-the-buffet-beauty-is-in-the-eye-of-the-diner](http://hotelexecutive.com/business_review/239/the-art-of-the-buffet-beauty-is-in-the-eye-of-the-diner)

Buffets—from the simplest to the most extravagant—act as a marketing tool for attracting lucrative functions.

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The Customer Service Gap Model

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What is the Difference between Qualitative Research and Quantitative Research?

<http://www.snapsurveys.com/blog/what-is-the-difference-between-qualitative-research-and-quantitative-research/>

Crafting the Service Environment

<http://www.slideshare.net/prithvighag/service-environment>

# Appendix

## Survey Sample

### Ravintola Fino Asiakastyytyväisyyskysely

Sukupuoli Nainen ☐  
Mies ☐

Kuinka usein syöt lounasta ravintola Finossa?  
\_\_\_\_\_ kertaa/kk

Ruoka     

Ruoka on hyvänmakuista					
Ruoka on houkuttelevan näköistä					
Ruoan esillepano on hyvin suunniteltu					
Ruokavaihtoehtoja on tarpeeksi					
Lounaan hinta on sopiva					

Mitä ruoka-annosta ehdottaisit lounaslistallemme?

---

Ravintola     

Ravintolan sijainti on hyvä					
Palvelu on sujuvaa ja ystävällistä					
Ravintola on siisti					
Ravintolan ilmapiiri on viihtyisä					

Suosittelisitko ravintolaa ystäville?

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Miten voisimme kehittää toimintaamme?

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Mitä erityisen hyvää ravintola Finossa on?

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Kiitos vastauksistasi!